

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency

P.O. Box 2415

Washington, DC 20013-2415

Notice FC-34

For: State and County Offices

Restrictions on Farm Credit Program Loans

Approved by: Acting Deputy Administrator, Farm Credit Programs



1 Overview

A

Background

Before the reorganization:

- restrictions were placed on the ability of RECD employees to receive farm credit loan assistance
- ASCS and FCIC employees were permitted to receive farm credit loan assistance.

B

Purpose

This notice advises Offices of restrictions on farm credit assistance to Federal and non-Federal employees.

C

Contact

For questions regarding this notice, contact Jerry Wishall, LSPMD, through the Area Office.

Disposal Date

April 1, 1997

Distribution

State Offices; State Offices relay to County Offices and Ag Credit Teams

2 Making and Servicing Loans to FSA Employees

A FSA Employees With Existing Loans

FSA employees with existing farm credit loans may continue with these loans under the following conditions.

- All servicing and loan making activity shall be handled by employees outside the borrower's and Ag Credit Team's office jurisdiction.
 - SED shall decide whether these loans will be serviced by the State Office, the adjoining County/Ag Credit Team Office, or a combination of both.
 - An annual graduation review is required for each employee to determine the need for continued assistance. Graduation will be required if the review determines that the action is appropriate.
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B New Loans to FSA Employees With Existing Loans

- Additional direct loans may be made available to employees with existing loans:
 - in the form of annual operation loans (1 year)
 - for a period not to exceed September 30, 1998.
- SED must approve employee loans to be serviced according to subparagraph A.
- Employees must meet all normal eligibility and feasibility requirements, including:
 - an inability to obtain credit from other sources
 - a good repayment history with FSA.

Note: After September 30, 1998, no additional farm credit direct loans, with the exception of EM actual loss loans, will be made available to FSA employees.

Continued on the next page

2 Making and Servicing Loans to FSA Employees (Continued)

C

New Loans to FSA Employees Not Indebted to the Agency

FSA employees currently not indebted to the Agency:

- may **not** receive direct loan assistance except for EM actual loss loans
- may apply for and receive loan guarantees if they meet normal criteria.

Note: Assistance requires SED approval and will be serviced according to subparagraph A.

3 Making and Servicing Loans to COC Members

A

COC Member Eligibility for Loans

Because COC members are not full-time permanent employees of USDA and must depend on farming operations for their livelihood, they shall remain eligible for both direct and guaranteed farm credit assistance.

Loan servicing to COC members will be covered in a future notice.
